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# 3. LIBERIA STALLS USSR ON OFFER OF DIPLOMATIC RELATIONS AND ECONOMIC AID

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President Tubman of Liberia told Ambassador Jones on 6 January he had informed the Soviet delegation now in Liberia for the presidential

inauguration that the establishment of diplomatic relations between the two countries was dependent on a legislative appropriation and the existence of a treaty of friendship. He said he had agreed in principle to a friendship treaty but had insisted that the present delegation was not authorized to conduct such negotiations.

Tubman also said he had informed the Russians that Liberia could not accept the Soviet Union's offer of economic aid as long as no treaty of friendship existed. He also said he would tell the Soviet delegation that 'the economic and other relations existing between the United States and Liberia are neither for sale nor barter with any country and that Liberia now has all the aid it can use and would make its request to the United States if it needed more."

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#### 4. PRESENT PROSPECTS FOR NEW FRENCH GOVERNMENT

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The Republican Front has a large edge in popular interest because of the dynamic campaign it conducted and because of the right-center's psychological depression over its electoral losses. The American embassy in Paris expects a Socialist leader in the Front to have the first chance to form a government, since right-center

votes essential to investiture might not be available to Mendes-France. The embassy feels, however, that Republican Front leaders Mendes-France and Mollet must present to the Faure-Pinay parties a less uncompromising program than their current public statements profess if they wish to govern France.

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The embassy sees no evidence that any Republican Front leaders are contemplating the extreme move of threatening to ally with the Communists.

Comment

Despite past rebuffs, the Communist Party can be expected to press its 6 January appeal to the Socialist and Radical Socialist Parties to join in a popular front government. The Communists may feel that they can weaken the firm opposition of the Socialist national leadership to any Communist participation in the government by appealing to grass-roots Socialist sentiment. On 6 December, the Socialist National Council rejected electoral alliances with the Communists by 1,979 to 1,243, with 324 abstentions. Mollet will probably avoid too uncompromising a stand in negotiating with the center and right in order to forestall pressure from the local Socialist federations to turn to the Communists.

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## 7. STATE OF SIEGE IN CHILE

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President Ibanez' declaration of a state of siege throughout Chile to head off a general strike called for 9 January by the largest labor confederation, CUTCH, has confronted the regime with one of its most serious political crises. While public confi-

dence in the administration is perhaps at an all-time low, Ibanez appears capable of controlling the situation at this time.

CUTCH called the strike in protest against the government's plan to freeze wages, prices, and pensions. The president's declaration of a state of siege was followed by the arrests of hundreds of labor leaders, Communists, and other leftists.

The government has placed the armed forces and carabineros on alert status and has increased Santiago's military strength to 30,000, almost half of the nation's total military and security forces.

Since the wave of strikes last July, the administration has adopted a much firmer position against leftist and CUTCH pressures. This new firmness was an important factor in the decision of several opposition parties to support the government's wage-price bill, which still faces one more test vote in the Senate in the next few days.

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THE ARAB-ISRAELI SITUATION (Information as of 1700, 8 January)

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UN truce supervisor General Burns has concluded that developments are leading toward general hostilities between Israel and Egypt. Burns told the American embassy in Tel Aviv on 3 January he believed Nasr was too smart to launch a war against Israel until Egypt was prepared, probably in two or three years, although certain of his subordinates might not exercise the same restraint. Burns thought there was a good chance the Israelis would precipitate a war in the next several months. The embassy comments it does not believe any decision for preventive action has been taken by Israel, but that it is probable that if Israel's concern for its air defenses is not alleviated, Tel Aviv would be forced to consider the possibility of preventive action.

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